

INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025



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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

TO THE MEMBERS OF INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO

We have reviewed the accompanying financial statements of International Society of Arboriculture-Ontario that comprise the statement of financial position as at December 31, 2025 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of International Society of Arboriculture-Ontario as at December 31, 2025 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Smith Chappell Maus Vilander LLP

January 29, 2026
Oshawa, Ontario

Chartered Professional Accountants
Licensed Public Accountants

INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO

STATEMENT OF FINANCIAL POSITION

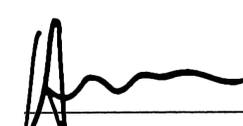
AS AT DECEMBER 31, 2025

		<u>2025</u>	<u>2024</u>
<u>ASSETS</u>			
Current			
Cash		\$ 276,262	\$ 593,108
Temporary investments (Note 3)		599,428	287,161
Accounts receivable		43,777	16,883
Special projects receivable		79,445	-
Inventory (Note 4)		8,173	12,001
Prepaid expenses and deposits		66,523	87,229
		<u>1,073,608</u>	<u>996,382</u>
Capital Assets			
	<u>Cost</u>	<u>Accumulated Amortization</u>	
Leasehold improvements	\$ 27,565	\$ 16,539	11,026
Computers and technical equipment	4,015	4,015	-
	<u>\$ 31,580</u>	<u>\$ 20,554</u>	<u>11,026</u>
		<u>\$ 1,084,634</u>	<u>\$ 1,011,503</u>
<u>LIABILITIES</u>			
Current			
Accounts payable and accrued liabilities		\$ 44,350	\$ 58,577
Government remittances		5,721	12,928
Deferred revenue		118,054	74,892
		<u>168,125</u>	<u>146,397</u>
<u>NET ASSETS</u>			
Internally restricted (Note 2(g))		200,000	200,000
Unrestricted		716,509	665,106
		<u>916,509</u>	<u>865,106</u>
		<u>\$ 1,084,634</u>	<u>\$ 1,011,503</u>

Approved by the Board of Directors:


Julie Tucker, Executive Director

Unaudited


Andrew Smit, Treasurer

INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
Revenue		
Books and merchandise	\$ 43,496	\$ 44,989
Memberships	128,362	129,657
Publications	36,380	37,664
Annual conference	358,411	426,222
Certification	78,238	78,060
Workshops	129,604	138,426
Women in Arboriculture	8,131	8,394
Ontario Tree Climbing Championship	43,845	43,879
Special projects revenue	109,538	241,552
	<hr/>	<hr/>
	936,005	1,148,843
	<hr/>	<hr/>
Expenses		
Books and merchandise	37,339	34,392
Publications	57,419	63,031
Annual conference	273,682	327,227
Certification	100	748
Workshops	93,483	100,025
Women in Arboriculture	6,379	7,481
Ontario Tree Climbing Championship	36,383	23,116
Special projects expenses	109,538	241,552
Administration		
- office support services	201,892	192,165
- other operating expenses - Schedule 1	116,919	123,796
	<hr/>	<hr/>
	933,134	1,113,533
	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING:	2,871	35,310
	<hr/>	<hr/>
Amortization of assets	(4,095)	(4,095)
Gain on foreign exchange	(2,449)	5,225
Investment income (loss) and miscellaneous	55,076	41,822
	<hr/>	<hr/>
	48,532	42,952
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ 51,403	\$ 78,262
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SCHEDULE 1

INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO

SCHEDULE OF OTHER OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
Bank charges	\$ 23,501	\$ 23,509
Donations and sponsorship	9,067	12,593
Insurance	9,740	9,915
Member benefits program	5,000	5,000
Office and general	17,955	16,557
Office rent and storage	22,551	21,573
Professional fees	6,030	4,825
Promotion	14,417	18,947
Travel	8,658	10,877
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	\$ 116,919	\$ 123,796
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Unaudited

INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
<u>UNRESTRICTED FUNDS</u>		
Balance, beginning of year	\$ 665,106	\$ 586,844
Transfer to internally restricted	-	-
Excess of revenue over expenses	51,403	78,262
	<hr/>	<hr/>
Balance, end of year	\$ 716,509	\$ 665,106
	<hr/> <hr/>	<hr/> <hr/>

INTERNALLY RESTRICTED FUNDS

Balance, beginning of year	\$ 200,000	\$ 200,000
Transfer from unrestricted	-	-
	<hr/>	<hr/>
Closing balance	\$ 200,000	\$ 200,000
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Unaudited

INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
Operating Activities		
Excess of revenue over expenses	\$ 51,403	\$ 78,262
Amortization of capital assets	4,095	4,095
Cash provided from (used for) working capital (Note 7)	(60,077)	143,699
	<u>(4,579)</u>	<u>226,056</u>
Investing Activities		
Decrease (increase) in temporary investments	(312,267)	(15,024)
Change in Cash and Cash Equivalents During the Year	<u>(316,846)</u>	<u>211,032</u>
Cash and Cash Equivalents at Beginning of Year	593,108	382,076
	<u> </u>	<u> </u>
Cash and Cash Equivalents at End of Year	<u>\$ 276,262</u>	<u>\$ 593,108</u>

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INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO

NOTES TO UNAUDITED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2025

1. Status and Nature of Activities

International Society of Arboriculture-Ontario was incorporated by letters patent issued under the Canada Corporations Act on July 26, 1971 as a corporation without share capital. The mission of the Organization is to enhance and promote the care and benefit of trees for present and future generations in Ontario through education, research and awareness. The Organization is exempt from income taxes under the Income Tax Act.

2. Significant Accounting Policies

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit organizations and include the following significant accounting policies:

(a) Inventory

Inventory is valued at the lower of cost and net realizable value with cost being determined generally on a first-in, first-out basis.

(b) Capital Assets

Capital assets are recorded at cost based on the organization's capitalization policy.

Amortization charges are calculated on straight-line basis as follows:

Leasehold improvements	10 years
Office furniture	10 years
Vehicles and equipment	10 years
Computers and technical equipment	3 years

INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO

NOTES TO UNAUDITED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2025

2. Significant Accounting Policies (continued)

(c) Revenue Recognition

Revenue from membership fees and conferences is deferred and recognized in the year for which the fees were paid or the conference is held, provided the payment of fees is reasonably assured.

Revenue from the sale of books, merchandise and publications is recognized on a point-of-sale basis.

Revenue from advertising sales is recognized when the issue it appears in is published.

Revenue from other services is recognized at the time the services are provided.

(d) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates include the allowance for doubtful accounts. Actual results may differ from those estimates.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit in bank accounts.

INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO

NOTES TO UNAUDITED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2025

2. Significant Accounting Policies (continued)

(f) Financial Instruments

Measurement of financial instruments

The Organization initially measures its financial assets at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, temporary investments, accounts receivable and sales tax recoverable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization measures investments in preferred and common shares at fair value.

Impairment

Financial assets measured at cost are reviewed annually to determine whether there are indicators of possible impairment. When there is an indication of impairment the amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The Organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(g) Internally Restricted Fund

The Board of Directors has set up the Operational Expenses Reserve Fund and this balance represents funds set aside for operating costs and has been accumulated from prior years' surpluses. The fund is to be used at the discretion of the board.

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INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO

NOTES TO UNAUDITED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2025

3. Temporary Investments

Temporary investments consist of the following:

	<u>2025</u>	<u>2024</u>
Brookfield Preference shares	\$ 195,210	\$ -
Non-redeemable Guaranteed Investment Certificates	22,862	24,125
Cash position	4,167	28
Res Bank of Montreal due June 17, 2025 (maturity value \$91,653 and yielding 5.68%)	-	89,392
Res Bank of Montreal due October 27, 2027 (maturity value \$134,173 and yielding 6.06%)	120,567	113,678
Res CIBC due January 20, 2028 (maturity value \$70,649 and yielding 5.54%)	63,258	59,938
Res Royal Bank due April 3, 2029 (maturity value \$104,172 and yielding 3.49%)	93,181	-
Cpn Province of Manitoba due March 5, 2031 (maturity value \$117,884 and yielding 3.19%)	100,183	-
	<u>\$ 599,428</u>	<u>\$ 287,161</u>

Guaranteed Investment Certificates are issued by The Bank of Nova Scotia.

The Guaranteed Investment Certificates have interest rates and maturities as follows:

Amount	Interest rate	Maturity
\$ 22,862	4.22%	June 24, 2027

4. Inventory

Inventory consists of books and merchandise for sale. The amount of inventory charged to expense in 2025 was \$37,339 (2024 - \$34,392).

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INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO

NOTES TO UNAUDITED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2025

5. Financial Instruments

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentration's risk exposure and concentrations at December 31, 2025.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge that obligation. The Organization provides credit to certain of its customers on a continuing basis and maintains provisions for contingent credit losses. The losses which have materialized in the last three years have been consistent with management forecasts. The Organization does not normally require a guarantor.

The Organization maintains its bank accounts and temporary investments with a single financial institution. Although this constitutes a concentration of credit risk, management assess the risk of loss from this concentration as negligible.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization collects fees for the International Society of Arboriculture - (U.S.) and remits these in U.S. funds as invoiced. To support this activity, the Organization maintains the following balances denominated in U.S. dollars:

	<u>2025</u>	<u>2024</u>
Cash	\$ 45,734	\$ 54,476
	<u> </u>	<u> </u>
Accounts payable and accrued liabilities	\$ 2,565	\$ 2,475
	<u> </u>	<u> </u>

Interest rate risk

Interest rate risk the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. With respect to the Guaranteed Investment Certificates described in Note 3, the Organization is not exposed to cash flow risk with respect to changes in the market interest rates but is exposed to price risk due to fluctuations in those rates.

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INTERNATIONAL SOCIETY OF ARBORICULTURE-ONTARIO

NOTES TO UNAUDITED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2025

5. Financial Instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization has ample cash reserves to meet these obligations if funds generated by operations are insufficient.

Market risk

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose the organization to a risk of loss. The organization has formal policies and procedures that establish target asset mix.

6. Commitments

The organization has committed to the renting of facilities for the 2026 conference (estimated costs of \$270,000) and 2027 annual conference at a guaranteed amount of \$123,000 (as of the date of the financial statements).

The organization has committed to leasing office and storage space beginning November 1, 2019 and ending October 31, 2024 at an annual rate of \$18,210 per year. There will be an annual 3% increase in rent beginning November 1, 2020. A new agreement has not been signed and the organization is currently leasing month to month.

7. Cash Provided From (Used For) Working Capital

Cash otherwise available from operating activities is influenced by increases or decreases in the following items:

	<u>2025</u>	<u>2024</u>
Accounts receivable	\$ (26,894)	\$ (9,051)
Special projects receivable	(79,445)	32,098
Sales tax recoverable	(7,207)	7,802
Inventory	3,828	(199)
Prepaid expenses and deposits	20,706	153,272
Accounts payable and accrued charges	(14,227)	(13,680)
Deferred revenue	43,162	(26,543)
	<u>\$ (60,077)</u>	<u>\$ 143,699</u>

Unaudited